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**TWO OGILVY AND MATHER ADVERTISING EXECUTIVES SENTENCED  
IN FALSE BILLING SCHEME**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that THOMAS EARLY, a former Senior Partner and the Director of Finance of Ogilvy and Mather, New York, an advertising agency in Manhattan, and SHONA SEIFERT, a former Senior Partner and Executive Group Director of Ogilvy and Mather, were sentenced in Manhattan federal court to 14 months and 18 months imprisonment, respectively, following their February 2005 convictions for participating in a scheme to defraud the Government.

EARLY and SEIFERT were charged in an Indictment with conspiracy to defraud the United States, to make false claims, and to make false statements, and with nine substantive counts of making false claims against the United States, in connection with their participation in an extensive scheme to defraud the United States Government by falsely and fraudulently inflating the labor costs that Ogilvy and Mather had incurred with respect to a

contract it was awarded by the Office of National Drug Control Policy (the "ONDCP").

According to the evidence at trial, the ONDCP is a component of the Executive Office of the President, and was responsible for conducting a nationwide media campaign entitled the National Youth Anti-Drug Media Campaign (the "Media Campaign"), the goal of which is to educate the nation's youth about the dangers of illegal drugs. In December 1998, Ogilvy and Mather was awarded a contract (the "Contract") for Phase III of the Media Campaign. The Contract was a cost-plus-fixed-fee contract that entitled Ogilvy and Mather to reimbursement for allowable costs actually incurred during the course of the Contract as well as a fixed fee that was negotiated at the outset of the Contract.

According to the evidence at trial, in the summer of 1999, EARLY and SEIFERT learned that the labor billings on the Contract were running approximately \$3 million less than what Ogilvy and Mather had previously anticipated. After recognizing this shortfall, from May 1999 through April 2000, EARLY and SEIFERT schemed to defraud the United States Government by causing Ogilvy and Mather to fraudulently inflate the number of hours that Ogilvy employees had worked on the ONDCP Contract by, among other things: directing certain Ogilvy employees to revise time sheets that employees had already completed to reflect falsely that the employees had worked more time on the ONDCP Contract than was

originally recorded; directing Ogilvy employees to record on their time sheets a specified percentage of their time for the ONDCP Contract whether or not the employees actually worked that percentage of time on the ONDCP Contract; and causing falsified time sheets to be submitted to the Government in support of their fraudulent claims for reimbursement of labor costs.

On February 22, 2005, following a three-week jury trial, EARLY and SEIFERT were each convicted of all 10 counts in the Indictment in connection with their roles in orchestrating and directing the fraud at Ogilvy and Mather.

THOMAS EARLY, 48, who lives in Rockville Center, New York, was sentenced on July 13, 2005, to 14 months' imprisonment, followed by a two-year term of supervised release and a \$10,000 fine, by United States District Judge RICHARD M. BERMAN.

SHONA SEIFERT, 44, who lives in Southport, Connecticut, was sentenced by Judge BERMAN on July 14, 2005, to 18 months' imprisonment, followed by a two-year term of supervised release, 400 hours of community service and a \$125,000 fine. Judge BERMAN also directed that as part of Ms. SEIFERT's community service, she is required to draft a proposed code of ethics for use by members of the advertising industry.

Mr. KELLEY thanked the Federal Bureau of Investigation and the United States Department of Defense for their assistance in

the investigation.

Assistant United States Attorneys LAUREN GOLDBERG and  
ALEXANDER J. WILLSCHER are in charge of the prosecution.

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